

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell, Joseph T. Kelliher,
and Suedeem G. Kelly.

Chevron Pipe Line Company

Docket No. IS04-219-004

ORDER GRANTING CLARIFICATION

(Issued November 30, 2004)

1. On November 10, 2004, Chevron Pipe Line Company (Chevron) filed a request for clarification of the Commission's October 29, 2004 Letter Order accepting and approving the Offer of Settlement (Settlement) covering the movement of crude petroleum into Chevron's West Bay System.¹ In this order, the Commission grants Chevron's request for clarification. This order benefits the public because it clarifies the Settlement previously accepted by the Commission and facilitates its implementation.

2. On September 29, 2004, Chevron filed the Settlement, which in part sought certain assurances and authorizations from the Commission. Specifically, the Settlement requested that the Commission's order: (1) state that nothing in the Settlement or the Commission's approval of the Settlement will be considered as precedent for Chevron's management of its West Bay System in particular or of any of Chevron's other crude oil pipelines; (2) authorize the reinstatement into Chevron's West Bay System tariff of the receipt points and rates from Chevron's joint tariff with Devon Energy Offshore Pipeline Company (DEP) upon termination of the lease as "unchanged" rates, provided that they are neither increased nor decreased at that time; (3) with respect to the joint tariff between Chevron and Anadarko GOM Pipeline Inc. (Anadarko), authorize the carriers (or their successors) to reinstate the pre-Settlement routing with the reinstated rate being equal to or less than the sum of the then-current Chevron/Anadarko rate and the then-current Chevron/DEP rate; and (4) recognize that the sulfur limit of 0.5 percent in Chevron's West Bay System tariff has become effective and, that after the protests in

¹ *Chevron Pipe Line Co.*, 109 FERC ¶ 61,116 (2004) (October 29, 2004 Letter Order).

Docket No. IS04-219-000 have been withdrawn, the sulfur limit may only be challenged by complaint as provided in the Settlement.

3. In its request for clarification of the October 29, 2004 Letter Order, Chevron states that it is reluctant to continue with the Settlement arrangements absent Commission clarification that it accepts the assurances and authorizations requested in the Settlement.

4. The Commission's October 29, 2004 Letter Order stated that it "finds that the Settlement is fair, reasonable, and in the public interest. Accordingly, the Commission accepts and approves the Settlement as submitted." Therefore, the Commission grants the clarification requested by Chevron and confirms that its intent in the October 29, 2004 Letter Order was to grant the assurances and authorizations set forth in the Settlement and reiterated above.

The Commission orders:

Clarification of the October 29, 2004 Letter Order is granted as discussed in the body of this order.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.